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MEMORANDUM

THE WHITE HOUSE

WASHINGTON

August 28, 1976

MEMORANDUM FOR GENERAL SCOWCROFT

FROM: The Situation Room

SUBJECT: Morning News Summary

The Washington Post

Stuart Auerbach writes that President Ford's goal to protect all Americans against a possible swine flu epidemic next winter now appears impossible. (A-1)

Michael Getler reports that East German citizens in larger numbers than ever before are coming to West German liaison offices in East Berlin to make inquiries about legally emigrating to West Germany. The development, which has puzzled Western diplomats, comes as recent shootings and traffic incidents along the East-West German border have raised tensions between the two countries. (A-7)

According to Don Oberdorfer, Henry Kissinger and the Senate Foreign Relations Committee were unable to agree yesterday on details of a \$5 billion military sales program planned primarily for Middle East countries. The number of Sidewinder air-to-air missiles to be sold to Saudi Arabia is the major disagreement. (A-7)

John Saar reports that former presidential candidate Kim Dae Jung and 17 other defendants accused of plotting rebellion against the South Korean government were convicted today. They received sentences ranging from two to eight years. (A-8)

According to Tom Braden, as if the Ford administration were not having enough trouble trying to put down the memories of Richard Nixon's Watergate, its own Justice Department almost succeeded in trotting out one of the ghosts right in the middle of the election campaign. To his astonishment, Secretary Kissinger learned recently that lawyers for Justice, detailed to defend him in the suit of Dr. Morton Halperin, had agreed to go to trial on October 15. It will not happen -- first, because the case may be dismissed some time this summer; and, if the case is not dismissed, because

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Kissinger will then retain private counsel, possessed presumably of sounder political judgment than that of the bureaucracy at Justice. But it might have happened, and the fact that it was actually agreed to is one more indication that the Ford administration is both honest and bumbling. (A-11)

The Washington Star

Three Americans who admitted smuggling nearly 63 pounds of heroin into the Soviet Union and apologized to a Moscow court for it were sentenced yesterday to labor camp terms of eight, seven and five years. The sentences were ordered carried out in a "strengthened regime" camp, less severe than the "strict regime" camps that provide the toughest conditions for prisoners. (A-1)

Reliable U.S. and Korean sources said yesterday at least some of the North Korean guards responsible for the killings at Panmunjom may have been replaced. Whether this action represents a further conciliatory effort by North Korea to defuse the current crisis along the demilitarized zone is unclear. According to intelligence specialists, North Korea still has not made public to its people a message sent by President Kim il-Sung to the UN command last Saturday expressing regret for the killings. (A-3)

The Senate voted yesterday to limit the president's authority to embargo exports of farm products. Also included are provisions designed to aid U.S. businessmen in resisting the Arab boycott against Israel. The bill now goes to the House. Senator Stevenson, floor manager of the bill, said the section dealing with the Arab boycott against Israel "may cost some business in Arab nations." The bill would require domestic concerns and persons receiving requests to comply with a foreign boycott to disclose publicly whether they are complying. (A-3)

The European Commission on Human Rights has found Britain guilty of torturing suspected terrorists in Northern Ireland, leading newspapers reported yesterday. The British Foreign Office said it would withhold comment on the investigation until the report is published Thursday. The commission's findings are likely to aggravate the bitter relations of the British and the Irish governments. (A-13)

AP reports that Iran and Occidental Petroleum canceled a \$125 million plan to develop Caspian Sea oil and to process and market other Iranian oil. The plan also would

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have called for a purchase of a large amount of Occidental Petroleum stock by the Iranian government. The brief announcement by the ministry of economic affairs and finance said Iran and Occidental could not agree on definite terms, but it did not reveal details of the disagreement. (A-13)

The Baltimore Sun

Charles Corddry reports that Kissinger gave critical senators an advance look yesterday at administration plans to sell \$5 billion worth of arms and related equipment to Iran, Pakistan, and Saudi Arabia. After the late afternoon meeting, Senate sources predicted a rash of resolutions of disapproval in the Senate and House when the Ford administration formally submits the new sales requests next week. (A-1)

Arnold Isaacs writes that faced with the world's biggest population problem, India is edging toward increasingly drastic means of controlling it -- including the morally painful method of compulsory sterilization laws. (A-1)

Michael Parks writes that new Israeli efforts to integrate the country's 450,000 Arab citizens into its national life have succeeded in cooling tempers in the Arab community -- but little more. Israeli Arab leaders characterize recent government efforts as "gestures of good will" and "promising expressions of political intent," but they warn that practical steps must be taken quickly if still high Arab feelings are not to harden into Palestinian nationalism within Israel itself. (A-2)

Michael Burns reports that the Soviet Union rejected yesterday as "unjustified" a formal protest by the three Western allies alleging the first large-scale violation of the 1971 Berlin transit agreement. The allied protest, delivered late Thursday to the Soviet embassy in East Berlin, called the turning back of 13 West German buses at the border August 13 an infringement of the four-power Berlin agreement. (A-5)

Marquis Childs writes that while the concern over the barbarous slaughter of two American officers by North Koreans at the truce line seems to have simmered down, it carried with it an echo of a far more serious crisis at the height of an election campaign. Suppose an aircraft carrier off Korea was mysteriously sunk. This could happen from a variety of causes. It is not hard to imagine the outcry

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that would follow. The reaction to the Cambodian seizure of the the Mayaguez, which many considered excessive, was an example of how emotions can be inflamed. That incident could hardly be compared with the loss of an aircraft carrier, with a large casualty list of crew. Fortunately the truce line incident is moving off the front pages and it may disappear from sight as negotiations proceed. The potential of such an incident cannot, however, be entirely ignored. The presence of those 42,000 troops is likely to become a campaign issue, since Jimmy Carter has already expressed his belief that their number should be reduced. President Ford is a big military man, as his past record has shown, and in that first debate he will challenge any reduction in the military budget. The prayerful hope must be for no more incidents like "Remember the Maine." (A-17)

The New York Times

James Naughton reports that President Ford said that the electorate's "fear and apprehension" about Jimmy Carter would help him to overtake the Democratic nominee in the Presidential campaign. (1)

John Burns reports that asserting that "the white man must accommodate the black man, and the black man must accommodate the white man," Justice Minister Kruger of South Africa announced yesterday that he would meet with urban black leaders next week for fresh talks on the anti-government upheaval that has cost at least 290 lives. (1)

According to Bernard Gwertzman, Secretary Kissinger told a Senate Foreign Relations subcommittee yesterday that the U.S. had agreed to sell Iran 160 F-16 fighter planes at a cost of about \$3.4 billion. (1)

According to Murray Illson, a former executive of the Lockheed Aircraft Corporation said yesterday that Prince Bernhard of the Netherlands had once demanded \$4 million from the company as a condition of its doing business with his country. (2)

Flora Lewis states that the apparent ease with which President Giscard has overcome the government crisis after his falling out with the former prime minister, veils deep political trouble ahead for France. French commentators and politicians have been hinting at it publicly, but most have refrained from measuring the dangers aloud. (3)

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Paul Hofmann writes that spokesmen for 52 countries with little or no access to the ocean warned that unless their demands are met they might block adoption of a global maritime treaty that the Law of the Sea Conference is attempting to write. (5)

An editorial says that money paid out by Lockheed to influence purchase of aircraft abroad has resulted to date in the jailing and indictment of a former Japanese prime minister, allegations against a former prime minister and two cabinet colleagues in Italy, an investigation into alleged payments to West German politicians, and acute embarrassment for the Dutch government and royal family. This dismal record of a company that ought to consider its responsibilities as a representative of the U.S. in its foreign dealings should place in sharp focus the guilt, not only of alleged recipients of illegal payments, but of those who offer money that can only be characterized as bribes. (20)

Another editorial says that Argentina's military rulers have used all the right words in condemning the mass murders of 47 people by right-wing terrorist organizations; but on the government's record to date, its pledge to go all out to find and punish the assassins must be taken skeptically. The good intentions for even-handed justice of President Videla and the officers of his circle seem always to be frustrated by military and police officials outside the ruling junta. Terrorism has claimed nearly 900 lives in Argentina this year, more than 650 of them since the military takeover five months ago. The government correctly describes the recent mass murders as "barbaric," attributable "only to the madness of irrational groups." But what will it take to arouse General Videla and his colleagues to action against those groups as energetic as that under way against their leftist counterparts? (20)

C. L. Sulzberger writes that Jimmy Carter's energy and defense programs are directly related because of the importance played in each by the atom. Nowadays there is an inescapable link between a nation's dependence on the nuclear power that plays an industrial role and the nuclear power that represents ultimate military protection. As to the atom's peaceful function, Carter says: "If I am elected the atomic energy uses will be expanded -- although I shall emphasize coal and conservation." The atom's military role is less easy to define. In this respect, Carter believes it is folly for America to take into account, when making its strategic plans, the possibility of limited nuclear war. This con-

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cept has been at the heart of U.S. and NATO strategy for years. I must confess that personally I detect similarity between some portions of this view and the Radford-Dulles "massive retaliation" theory. (21)

Michael Reisman, writing on Taiwan, proposes the following as future U.S. policy toward that country: The life of another state is an unacceptable price for an ambassadorship in Peking. Future administrations must convey to China that the Nixon-Kissinger 1972 statement on Taiwan's status was unfounded and cannot be U.S. policy. We should affirm to leaders in China and Taiwan that we will not tolerate change in Taiwan's status without full and free consultation of the people's wishes. We should not unilaterally abrogate our defense treaty with Taiwan. We should continue to sell arms to Taiwan. (21)